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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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Arizona Corporation Commission

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FEB 13 2015

SUSAN BITTER SMITH - CHAIRMAN
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TOM FORESE

AZ CORP COMMISSION
DOCKET CONTROL

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF
DRAGOON WATER COMPANY, INC. FOR
AUTHORITY TO INCUR LONG-TERM DEBT.

DOCKET NO. W-01917A-14-0312

IN THE MATTER OF THE APPLICATION OF
DRAGOON WATER COMPANY, INC. FOR AN
INCREASE IN ITS WATER RATES.

DOCKET NO. W-01917A-14-0313

STAFF'S NOTICE OF ERRATA

On August 22, 2014, Dragoon Water Company, Inc. ("Dragoon" or "Company") filed with the Arizona Corporation Commission ("Commission") a Finance Application (Docket No. W-01917A-14-0312) and a Rate Application (Docket No. W-01917A-14-0313). On November 10, 2014, the Commission's Utilities Division ("Staff") notified the Company that its Rate Application met the sufficiency requirements of A.A.C. R14-2-130.B, and classified the Company as a Class D Utility. On December 1, 2014, the matters were consolidated.

On February 9, 2015, Staff of the Arizona Corporation Commission ("Staff") filed its Staff Report. Attached to the Staff Report was Schedule MJR-4 which addressed Staff's recommended Rate Design. Staff has determined that 5/8" x 3/4" inch meters and 3/4" inch meters were not included in the original Service Line and Meter Installation Charges.

Attached is Revised MJR-4 which sets forth at page 2 of 2 corrections to the Service Line and Meter Installation Charges.

RESPECTFULLY SUBMITTED this 13th day of February, 2015.

ORIGINAL

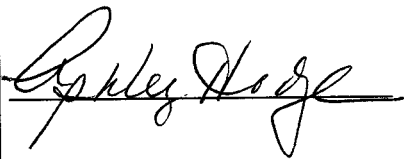
Bridget A. Humphrey, Attorney
Matthew Laudone, Attorney
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

1 Original and thirteen (13) copies of
2 the foregoing filed this 13th day of
February, 2015, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
Phoenix, Arizona 85007

6 Copy of the foregoing mailed and/or
7 emailed this 13th day of February, 2015, to:

8 Steve Wene
9 MOYES SELLERS & HENDRICKS LTD
10 1850 N. Central Avenue, Suite 1100
11 Phoenix, AZ 85004

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RATE DESIGN

Monthly Usage Charge	Present	Proposed Rates	
	Rates	Company	Staff
5/8" x 3/4" Meter	\$32.00	\$53.10	\$ 36.00
3/4" Meter	48.00	79.65	54.00
1" Meter	80.00	132.75	90.00
1 1/2" Meter	160.00	265.50	180.00
2" Meter	256.00	424.80	288.00
3" Meter	512.00	849.60	576.00
4" Meter	800.00	1,327.50	900.00
6" Meter	1,600.00	2,655.00	1,800.00
Bulk Water pipe per 1,000 gallons	7.50	8.32	8.50
Gallons Included in Minimum	0	0	0

Commodity Rate Charge--Company Commodity rates as ADJUSTED 7/22/2013

5/8" x 3/4" Meter

Company

Tier 1	From 0 to 3,000 gallons	3.25	4.16	4.00
Tier 2	From 3,001 to 10,000 gallons	5.40	6.91	7.00
Tier 3	Over 10,000 gallons	6.80	8.32	8.50

3/4" Meter

Company

Tier 1	From 0 to 3,000 gallons	3.25	4.16	4.00
Tier 2	From 3,001 to 10,000 gallons	5.40	6.91	7.00
Tier 3	Over 10,000 gallons	6.80	8.32	8.50

1" Meter

Company

Tier 1	From 0 to 3,000 gallons	3.25	4.16	
Tier 2	From 3,001 to 10,000 gallons	5.40	6.91	
Tier 3	Over 10,000 gallons	6.80	8.32	

Staff

Tier 1	First 15,000 gallons			7.00
Tier 2	Over 15,000 gallons			8.50

1 1/2" Meter

Company

Tier 1	From 0 to 3,000 gallons	3.25	4.16	
Tier 2	From 3,001 to 10,000 gallons	5.40	6.91	
Tier 3	Over 10,000 gallons	6.80	8.32	

Staff

Tier 1	First 25,000 gallons			7.00
Tier 2	Over 25,000 gallons			8.50

2" Meter

Company

Tier 1	From 0 to 3,000 gallons	3.25	4.16	
Tier 2	From 3,001 to 10,000 gallons	5.40	6.91	
Tier 3	Over 10,000 gallons	6.80	8.32	

Staff

Tier 1	First 45,000 gallons			7.00
Tier 2	Over 45,000 gallons			8.50

3" Meter

Company

Tier 1	From 0 to 3,000 gallons	3.25	4.16	
Tier 2	From 3,001 to 10,000 gallons	5.40	6.91	
Tier 3	Over 10,000 gallons	6.80	8.32	

Staff

Tier 1	First 90,000 gallons			7.00
Tier 2	Over 90,000 gallons			8.50

4" Meter

Company

Tier 1	From 0 to 3,000 gallons	3.25	4.16	
Tier 2	From 3,001 to 10,000 gallons	5.40	6.91	
Tier 3	Over 10,000 gallons	6.80	8.32	

Staff

Tier 1	First 120,000 gallons			7.00
Tier 2	Over 120,000 gallons			8.50

RATE DESIGN

6" Meter

Company

Tier 1	From 0 to 3,000 gallons	3.25	4.16
Tier 2	From 3,001 to 10,000 gallons	5.40	6.91
Tier 3	Over 10,000 gallons	6.80	8.32

Staff

Tier 1	First 300,000 gallons	7.00
Tier 2	Over 300,000 gallons	8.50

Service Line and Meter Installation Charges

	Current Total Meter & Service Line Installation Charges	Company Proposed Service Line Charges	Company Proposed Meter Installation Charges	Company Proposed Total	Staff Recommend d Service Line Charges	Staff Recommended Meter Installation Charges	Staff Recommended Total
5/8" x 3/4" Meter	\$ 400	\$ 445	\$ 155	\$ 600	\$ 445	\$ 155	\$ 600
3/4 inch Meter	\$ 475	\$ 445	\$ 255	\$ 700	\$ 445	\$ 255	\$ 700
1" Meter	\$ 550	\$ 495	\$ 315	\$ 810	\$ 495	\$ 315	\$ 810
1 1/2" Meter	\$ 775	\$ 550	\$ 525	\$ 1,075	\$ 550	\$ 525	\$ 1,075
2" (Turbine)	\$ 1,375	\$ 830	\$ 1,045	\$ 1,875	\$ 830	\$ 1,045	\$ 1,875
2" (Compound)	\$ 1,375	\$ 830	\$ 1,890	\$ 2,720	\$ 830	\$ 1,890	\$ 2,720
3" (Turbine)	\$ 1,975	\$ 1,045	\$ 1,670	\$ 2,715	\$ 1,045	\$ 1,670	\$ 2,715
3" (Compound)	\$ 1,975	\$ 1,165	\$ 2,545	\$ 3,710	\$ 1,165	\$ 2,545	\$ 3,710
4" (Turbine)	\$ 3,040	\$ 1,490	\$ 2,670	\$ 4,160	\$ 1,490	\$ 2,670	\$ 4,160
4" (Compound)	\$ 3,040	\$ 1,670	\$ 3,645	\$ 5,315	\$ 1,670	\$ 3,645	\$ 5,315
6" (Turbine)	\$ 5,635	\$ 2,210	\$ 5,025	\$ 7,235	\$ 2,210	\$ 5,025	\$ 7,235
6" (Compound)	\$ 5,635	\$ 2,330	\$ 6,920	\$ 9,250	\$ 2,330	\$ 6,920	\$ 9,250
Over 6-inch	N/A	At Cost	At Cost	At Cost		At Cost	At Cost

Service Charges

Establishment	\$55.00	\$55.00	\$55.00
Establishment (After Hours)	65.00	N/A	N/A
Re-establishment (after hours) additional	50.00	N/A	N/A
Reconnection (Delinquent)	65.00	65.00	65.00
Reconnection (after hours)	75.00	N/A	N/A
Meter Test (If Correct)	50.00	50.00	50.00
Deposit	*	*	*
Deposit Interest	*	*	*
Re-Establishment (Within 12 Months)	**	**	**
NSF Check	15.00	30.00	20.00
Deferred Payment	1.50%	1.50%	1.50%
Meter Re-Read (If Correct)	15.00	25.00	20.00
Late Fee	1.50%	1.50%	1.50%
After Hours Service Charge	NT	35.00	35.00

NT = No Tariff

Monthly Service Charge for Fire Sprinkler

4" or Smaller	****	****
6"	****	****
8"	****	****
10"	****	****
Larger than 10"	****	****

* Per Commission Rules (R14-2-403.B)

** Months off system times the minimum (R14-2-403.D)

*** 1.5% on the unpaid balance per month

**** 1.00% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$5.00 per month. The Service Charge for Fire Sprinklers is only applicable for service lines separate and distinct from the primary water service line.